

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CONDITIONAL EXCLUSION OF TERRORISM RELATING TO THE DISPOSITION OF THE FEDERAL TERRORISM RISK INSURANCE ACT**

This endorsement modifies insurance provided under the following:

BOAT DEALER COVERAGE FORM  
CHARTERER'S LEGAL LIABILITY RIDER (ANNUAL BASIS) SP-43A  
MARINE LEGAL LIABILITY  
PIERS AND WHARVES COVERAGE

### **A. Applicability of the Provisions of this Endorsement**

1. The provisions of this endorsement become applicable commencing on the date when any one or more of the following first occurs. If the insured policy term begins after this date, then the provisions of this endorsement become applicable on the date the insured policy begins.
  - a. The Federal Terrorism Risk Insurance Program, established by the Terrorism Risk Insurance Act, has terminated with respect to the type of insurance provide under this policy; or
  - b. A renewal, extension or replacement of the Federal Terrorism Risk Insurance Program has become effective without a requirement to make "terrorism" coverage available to the insured with revisions that:
    - (1) Increase the Company's statutory percentage deductible – a deductible that determines the amount of all certified "terrorism" losses the Company must pay in a calendar year before the federal government shares in the payment of certified "terrorism" losses under the Federal Terrorism Risk Insurance Program for certified "terrorism" losses; or
    - (2) Decrease the federal government's statutory percentage share in potential certified "terrorism" losses above the statutory percentage deductible; or
    - (3) Redefine "terrorism" or "certified acts of terrorism" or make insurance coverage for "terrorism" or "certified acts of terrorism" subject to provisions or requirements that differ from those that apply to other types of events or occurrences under this policy.
2. If the provisions of this endorsement become applicable, such provisions:
  - a. Supersede any "terrorism" endorsement already endorsed to this policy that addresses "certified acts of terrorism", or "other acts of terrorism" but only with respect to an incident of "terrorism" which results in
    - (1) Injury or damage that occurs on or after the date when the provisions of this endorsement become applicable; or
    - (2) A claim for injury or damage that is first made and reported on or after the date when the provisions of this endorsement become applicable; and
  - b. Remain applicable unless the Company notifies the insured of changes in these provisions, in response to federal law.
3. If the provisions of this endorsement do **not** become applicable, any "terrorism" endorsement(s) already endorsed to this policy that addresses "certified acts of terrorism" or "other acts of terrorism" will continue in effect unless we notify you of changes to that endorsement in response to federal law.

### **B. The following exclusions are added.**

This insurance does not apply to:

#### **1. Acts of Terrorism**

Any injury or damage arising directly or indirectly out of or resulting from "terrorism".

Multiple incidents of "terrorism" which occur within a seventy-two hour period and appear to be carried out in concert or to have related purpose or common leadership shall be considered one incident.

#### **2. Nuclear, Biological, Chemical, or Radiological Related Damages**

a. Any "terrorism" involving any plan, effort, scheme or design intended to harm persons or property and arising directly or indirectly out of , resulting from or in any way related to, or in consequence of:

- (1) Any actual, alleged, suspected or threatened use of any NBCR material; or

- (2) Any actual, attempted, suspected, or threatened presence, spread, dissemination, release, escape or distribution of any NBCR material; or
  - (3) The failure to prevent any actual, attempted, suspected, or threatened presence, spread, dissemination, release, escape, or distribution of any NBCR material.
- b. NBCR material means any nuclear, biological, chemical, or radiological material or substance that causes damage to property or is harmful to human health. NBCR material includes, but is not limited to:
- (1) Any radioactive substance or material, and the radiation it releases,
  - (2) Any pathogen, bacterium, microbe, virus, or other organism,
  - (3) Any substance or material produced by or from any pathogen, bacterium, microbe, virus, or other organism, or
  - (4) Any poison, toxin, or other harmful chemical substance, or material.

The foregoing list **b.(1)** through **b.(4)**., is only illustrative and should not be construed as a complete, exclusive or exhaustive list of all NBCR materials.

**C. Exception for Covering Certain Property Damage Fire Losses**

If "terrorism" excluded in **B.2.**, above, results in fire, we will pay for the loss or damage caused by that fire subject to all applicable policy provisions. Such coverage for fire only applies to direct physical loss of or damage by fire to covered property.

**D. For the purposes of this endorsement, the following terms are defined:**

1. A "certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act. The criteria contained in the Terrorism Risk Insurance Act of a "certified act of terrorism" include the following:
  - a. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
  - b. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
2. "Other acts of terrorism" means a violent act or an act that is dangerous to human life, property or infrastructure that is committed by an individual or individuals and that appears to be part of an effort to coerce a civilian population or to influence the policy or affect the conduct of any government by coercion, and also involves the
  - a. Use or threat of force or violence; or
  - b. Commission or threat of dangerous act; or
  - c. Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and

the act is not a "certified act of terrorism".

Multiple incidents of an "other act of terrorism" which occur within a seventy-two hour period and appear to be carried out in concert or to have related purpose or common leadership shall be considered one incident.
3. "Terrorism" means a violent act or an act that is dangerous to human life, property or infrastructure
  - a. That is committed by an individual or individuals; and
  - b. That appears to be part of an effort to coerce a civilian population or to influence the policy or affect the conduct of any government by coercion, and
  - c. Also involves the
    - (1) Use or threat of force or violence; or
    - (2) Commission or threat of dangerous act; or
    - (3) Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system.

All other terms and conditions of this policy remain unchanged.